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AUTOMOTIVE MARKETING

The Marketing/Business Magazine For The Retail Aftermarket

APRIL 1990

CHEMICALS: MAKING MAGIC FOR YOUR BOTTOM LINE



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AUTOMOTIVE MARKETING



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Today's automotive chemicals are magical — not just in their formulations and what they can do for vehicles — but in what they can do for your bottom line. The entire chemical section is changing, however, as environmental issues become a concern in our market.

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EDITORIAL STAFF

FAX (215) 964-4273

Rosemarie Ritchin,
Associate Publisher/Editor-In-Chief
(215) 964-4395

Gail Krueger-Nicholson,
Managing Editor

P. Royall Katcher,
Business Editor

John Winebach,
Senior News & Feature Editor

David A. Evans,
Contributing Editor
(708) 825-0096

Edward L. Kaufman,
Contributing Editor
(201) 567-6158

Frank McGonagle,
Contributing Editor
(508) 672-7798

Bonnie Lynne Shannon,
Editorial Assistant

Stephen Futej
Editorial Intern

Jake J. Smith,
Creative Director

Mike Trinsey,
Art Director

Sarah Frankson, Group Publisher
(215) 964-4390

Chilton Officers:

Gary Ingersoll, President; Senior Vice President Publications; Richard D. Bay, Senior Vice President Operations/Administration; Donald W. Chestnut, Senior Vice President Books/Research; Ronald A. Hoxter, Vice President Finance; Christopher M. Savine, Vice President Automotive Books; John P. Kushnerick
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MARKET LINE

COMMODITIES

A Slight Upturn In 1989 Plug Sales; But Long Term Decline Continues

In our January issue, antifreeze/coolant suppliers talked about what a difference a year makes. Spark plug suppliers might as well talk about the difference a decade makes.

Since the late 1970s, annual automotive spark plug sales have declined by roughly 125-150 million spark plugs. Spark plug suppliers have fewer chances to sell plugs in the 1990s. For example, according to MediaMark, New York, which surveys some 20,000 households annually, people

in 46% of all households bought spark plugs in 1980. By 1989, that percentage decreased to 30%.

Less Than A Toothbrush

One result has been bitter competition among spark plug suppliers. About the only real profit has been to the consumer. "The consumer can go into a retail store today and pay more for a toothbrush than he does for a spark plug," Mike Bommarito, product systems manager, AC-Delco/GM Service Parts Operation, Detroit, said.

"And there's a total difference in the

technology behind the product. Today, consumers pay the same for a spark plug as they paid ten years ago. That's because of the commodity and competition aspects," Bommarito continued.

Today, the DIY consumer typically pays about \$1.19 to \$1.29 for a resistor plug. But heavy promotion often puts the price well under \$1. Advertised sales with rebated prices as low as 39-cents are not unusual. "Nobody likes rebates," Bommarito conceded, "but it's good advertising. We'd like to see rebates become a thing of the past. But who is going to be the first manufacturer to stop them?"

The Long Decline

Who indeed? We spoke with all the major suppliers about the market. We asked

RETAILERS

Lacey Resigns From Northern Automotive

John Lacey resigned as president and CEO of Northern Automotive, Phoenix, on March 7, 1990. He had been with Northern Automotive since November 1988.

Succeeding Lacey as CEO is Julius Trump, chairman and director of Northern Automotive's parent company Northern Pacific, New York.

Northern Automotive gave no reasons for the switch in leadership.

Although the resignation was reported to be amiable, there is no question that it was abrupt. A vendor who arrived in Phoenix on Wednesday and spoke with Lacey was called Thursday morning while he was shaving and told he would meet Trump instead.

Several vendors claimed to be "very surprised" since Lacey had taken large steps to "restoring the credibility" of the operation, in the words of one.

In 1989, Lacey reduced the store count of Northern Automotive, Autoworks, and Crown Auto from 869 to about 825 while increasing sales from \$660 million to a reported \$770 million.

WHERE SPARK PLUGS ARE SOLD

Outlet	% Total Sales	Trends
Gas Stations/Garages	30-35%	Still the leader.
Auto Chains	15-20%	Discount Dyer in the market. Chains will do well.
New Car Dealers	15-20%	Major outlets, but declining. New car parts.
Discount/Department Stores	10-15%	Have been a major force in the market.
Jobber/Retailers	10-15%	Major force in the market.
Tune-Up Specialist	5-10%	Good growth in the market.
Other Outlets	5-10%	Some stores could move.

Source: Automotive Marketing from various industry sources.



MARKET LINE

about the strategies of survival in a shrinking spark plug market, and where that market is heading.

The reasons behind the downward trend of spark plug sales through the 1980s were simple. First, electronic ignitions and unleaded gas made engines run cleaner and slowed spark plug fouling. The twice yearly tune-up became a thing of the past. In 1980, more than 70% of cars still had standard ignitions that burned regular gas; by 1989, the percentage was less than 7%. Add to this the general down-sizing of cars in the 1980s that reduced the percentage of V-8 engines on the road from a little more than three-quarters of all cars to roughly 45% today. In 1980, there was an average of a little over seven plugs per car; by 1989, the average was just a shade over six.

Then too, the manufacturers—pushed by OE carmakers—developed better, longer lasting spark plugs. Today, a 24,000 mile spark plug, which was a technological breakthrough ten years ago, is the standard for the industry. Car makers are pushing for even longer life plugs, 60-100,000 miles.

Joe LaFramboise, spark plug product manager for Ford Motorcraft, Detroit, said, "We've looked at the cycle planning and seen an influx of precious metals—single or double platinum, maybe gold—used in the interest of extending the service cycle. One reason it's motivated is because the plug is difficult to get to as you downsize the car and lose accessibility. As it gets more difficult to replace the plug, the OEs want to reduce the number of times you have to get to it."

Aftermarket Concerns

While the OE plug suppliers are pleased, some aftermarket people are concerned. "What's happening here," Dan Lieberman, vice president of marketing at NGK, Torrance, CA, said, "is that we're no longer in the plug business. It started with nickel alloy, then copper, now it's platinum. We're in the commodities business. I want people to change their plugs. I'm not in the insurance or warranty business. I'm in the business of selling spark plugs."

To summarize, there are fewer holes to fill in vehicles that are easier on better made plugs. Think about that, and you might wonder why bother trying to compete. It's clear why over-capacity, depressed prices, and declining profitability are the players in the game.

While no supplier is cheering at the moment, there are some healthier signs in the market. In 1989, for instance, spark plug

sales increased slightly, according to manufacturers, and most believe the worst of the slide is over.

Dick Kudner, vice president of sales and marketing for Champion Spark Plug, Toledo, OH, which was acquired by Cooper Industries in 1989, said, "Basically, the decline is over. All the negative factors—eights to fours, unleaded fuel, electronic ignitions—have all run their course. We see some positive things: more six cylinder cars on the road, eights holding their own in sales. The average number of holes is probably turning around and increasing after declining for years. The number of vehicles on the road is increasing. The number of miles driven is up. So we think the market is leveling off."

Although manufacturer estimates vary slightly, the market seems to have leveled off at sales of about 540-550 million automotive plugs and 650-660 total plugs (including marine and small engine plugs). While no one expects a turnaround and dramatic sales increases, suppliers do forecast an end to 2-3% a year declines. As Mark McIvor, vice president of marketing at the Electronics Div. of Allied Automotive, East Providence, RI, said,

"The market has stabilized. Basically, you'll see it go up and down a point or two each year."

Declining DIY Rate

Although manufacturers view the total market as relatively stable, there is general agreement that the DIY share of the market will continue to decline through the 1990s. McIvor, for example, said, "I see DIY going down at a point or so a year for the next several years. The reasons? The complexity of cars. Warranty implications mean a tendency to return to the dealer. The availability of quick tune locations."

Simple accessibility will also seriously hinder DIYers. Spark plugs have long been a basic DIY job simply because replacement is fairly easy. Joe LaFramboise, spark plug product manager for Motorcraft-Ford Parts and Service Div., Detroit, said that will no longer be the case. "With aerodynamics, a shorter wheelbase, a lower car, some tilted engines, and all that high-tech packed in, the DIYer is going to be frustrated just accessing the plug." These comments were echoed by other manufacturers.

So, it looks as though the 1990s will see

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another drop in the DIY rate, although like all changes, this one will occur over a number of years. The DIY rate, which was more than 50% in the 1970s, is in the 45% range now, and most manufacturers see the decline in DIY continuing through the 1990s to perhaps 35% by the end of the decade.

Many car owners will turn to new car dealers for maintenance, as Bommarito said. "As the quality of the vehicles improves, there's less warranty work at the dealerships. It frees up bays and allows dealers to be more aggressive at getting maintenance business. The problem in the past was that the dealership bays were devoted to warranty work. So far, we've seen a slight increase. For the last three years, there's been a 2% increase each year."

The Big Four Suppliers

Together, the big four spark plug suppliers, Champion, AC, Autolite, and Motorcraft, own about 85-90% of the market. Here's a look at them.

Champion is still the market leader, although its share has decreased somewhat in recent years. However, the company is very strong in small engine plugs and sells in the 35-40% range of the market (depending on whose market share estimates you accept).

"We're going to be focusing on our core products—wipers and plugs. Other products will no longer be a factor. They'll be phased out," Kudner said.

Kudner conceded that selling a Champion line of filters, wire and cable, and chemicals might have diverted resources from core products in recent years. However, while these products will be phased out, a successful fuel injection cleaner will remain as part of Champion's line. Champion has been the market leader for what seems like forever. It has the premium price position in the market, and a more focused Champion could regain some business it has lost.

AC-Delco, a very strong runnerup to Champion in the 30-35% range, will profit from a consumer turn to the dealerships. With some 73 million GM cars on the road, it also has a built-in constituency of consumers who might ask for AC-Delco parts.

Bommarito also suggested that the exact fit spark plug (rather than a short line plug) is more critical for today's technologically advanced vehicles. Between dealer sales, the GM Delco-Tech program for independent repair shops, and AC's long-time strengths in the WD/jobber channel, AC-Delco should at least hold its own.

Autolite claims a share in the mid-teens, most all of it earned during the

years the market was shrinking. "In 1990, we're taking a hard look at all our products to try and find out where we're positioned to serve the market. We believe we offer inventory advantages, and that awareness of Autolite has grown in the market," McIvor said.

Motorcraft's share could be allocated to Autolite since Autolite actually makes the spark plugs for Ford. LaFramboise conceded there's still a lot of confusion among consumers about the two brands (Until the 1970s, Autolite was sold as Ford Autolite). "We're trying to leverage our OE association. AC and Motorcraft walk down the aisle together. There's 42 million Ford vehicles on the road. The easiest sale is with the OE message." Ford's growing reputation for vehicle quality could rub off on Motorcraft.

Champion's Kudner noted that "Champion and Autolite are strong with retailers. We're not as strong to dealers as AC and Motorcraft, so it depends on which way the pendulum swings. The last few years, it's been shifting to the dealerships."

The Imports

Beyond the big four, the rest of the market goes to three import newcomers. The most successful have been Robert Bosch, Broadview, IL, and NGK. Both are in the 5-8% range. The third, Nippondenso, Long Beach, CA, is in the 1-3% range.

Bosch has made its strongest effort with platinum plugs priced about \$1 over standard copper plugs at retail. Joe Crowley, product manager, said that because plugs are often sold as loss leaders, "people don't realize the price/value relationship. It's a problem for people who make them and market them." Crowley said platinum plug sales were up 25% for Bosch in 1989. Bosch is placing its effort on educating counter people to sell the quality difference.

NGK offers a new line, V-Power, for domestic applications this year. "We're not getting away from the Japanese name," Lieberman said. "But the market is still 70% domestic vehicles. Our first claim to fame was motorcycle plugs, then import plugs. We're still perceived as a maker of plugs for import cars. So, if people recognize NGK as imports, then they will recognize V-Power as domestic plugs."

Both Japanese plug makers have benefited from the rise in import vehicle shares. They are OE to the major Japanese import cars (NGK to Nissan, Nippondenso to Toyota, and they divide Honda's OE business about evenly), and are also sold at import dealerships. Toyota, for example, competes directly with Nippondenso with its Star program. ■

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MARKET LINE

KAUFMAN ON THE MARKET

How Big Is The Auto Chemicals Market?

Edward L. Kaufman,
 Contributing Editor

Talking with automotive chemicals manufacturers, we found some consensus on the conditions of the market. For example, the manufacturers agree on the impact of advertising on sales of wax and polish, the impact of fuel quality problems, and the movement to fuel injection systems on sales of fuel additives. But, manufacturers do not agree on the size of the market.

"The fact is," Carol Celeste, marketing manager of Wynn Oil, Fullerton, CA, said, "that no one manufacturer has a good handle on this subject, and we won't have until we get together and have our sales data pooled and counted by an impartial body."

As chairman of MEMA's Automotive Chemical Council, Celeste is campaigning for cooperation in assembling industry-wide sales data on automotive chemicals.

In the meantime, chemical makers deal as best they can with pieces of market data. A. C. Nielsen tracks sales of some lines in certain types of outlets (like food and drug chains), but does not cover all types and all outlets selling automotive chemicals. Naturally, makers factor their own sales data into their estimating process as well as whatever data is publicly available on their competitors' sales. However, their interpretations vary.

For example, First Brands, the only company with leading products in all three of the major sub-groups (it has Prestone, the dominant brand of antifreeze/coolant; STP, the leading additive brand; and Simoniz, one of the leading appearance chemical brands) has a conservative view of the market. At First Brands, Rick Bowen, vice president marketing, estimates that 1989 retail sales of automotive chemicals were probably a lot closer to \$2 billion than to the \$3.3 billion forecast in the latest Frost & Sullivan report. But, he said, "No one knows for sure."

Bowen is especially skeptical of estimates that 1989 retail sales of antifreeze/coolant exceeded \$1 billion. "Historically, about 200 million gallons of antifreeze are sold annually of which the largest percentage, historically about 60%, have been sold to the retail aftermarket. At an

MARKET LINE

average retail price of about \$7 per gallon, total sales to the retail aftermarket were no more than \$840 million, perhaps as low as \$800 million."

Similarly, Bowen is skeptical of estimates that total sales of additives in 1989 exceeded \$1.2 billion. "We are quite sure that the antifreeze market is larger than the additives market."

Based upon data of A. C. Nielsen and other reporting services plus publicly available data on sales of Armor All, Bowen estimates total sales of appearance chemicals (wax, vinyl protectants, exterior cleaners, and washes) were about \$600 million in 1989. However, Armor All, Irvine, CA, which also uses Nielsen data and is the leader of the protectant category and now a strong participant in the wax and polish category as well, is convinced that 1989 sales of appearance chemicals topped \$665 million.

In our chart, we present our best estimates on the size of the total market, major sub-groups, and individual product lines. Because we believe that you should know the extent to which there are differences of opinion on market estimates, we also show the range of estimates on which our own are based.

In contrast to wide differences of opinion on the size of the automotive chemical markets, we find that the manufacturers are in general agreement on these points:

- Antifreeze/coolant is the largest single category.

Antifreeze/coolant is also one of the slowest growing in terms of unit sales. Dollar sales, which had increased rapidly in 1988-89 because of price increases, have sloped off.

- DIYers are active users of automotive chemicals.

Some DIY activities are steady, like changing antifreeze/coolant. Some activities are hurt by technological changes, for example, closed automotive systems may discourage light DIYers from using underhood chemicals. But technological change has also increased sales of some chemicals, like fuel system additives. In addition, some activities which had been growing slowly, such as applying wax and polish, have increased due to manufacturer advertising.

- Advertising pays.

After a few years of slow growth, sales of wax and polish moved up in 1988 and 1989. Armor All used heavy advertising to blast its way into the wax and polish category. During 1989 advertising expenditures for such brands of wax as Turtle Wax, Simoniz, Armor All and Raindance (acquired by Armor All) were about double the previous year. The result: a larger pie. The heavy advertisers all gained sales.

ESTIMATED RETAIL SALES OF AUTOMOTIVE CHEMICALS*

Wax & Polish	\$190 MM (Range: \$188 MM-\$194 MM)	APPEARANCE CHEMICALS \$640 MM (Range: \$605-\$665 MM)
Vinyl protectants	\$255 MM (Range: \$247 MM-\$259 MM)	
Other appearance prods.— Chrome cleaners, bug & tar removers, washes	\$195 MM (Range: \$172 MM-\$220 MM)	
Oil additives Fuel additives Fuel line cleaners Body repair chemicals Underhood cleaners/ degreasers		MAINTENANCE CHEMICALS \$780 MM (Range: \$818-\$1,200 MM)
Antifreeze/coolant	\$840 MM (Range: \$800 MM-\$1,094 MM)	
Other functional fluids: brake fluid, ATF, power steering fluid, greases & sealers, windshield washer fluid, motorcycle chemicals	\$360 MM (Range: \$240 MM-\$600 MM)	

TOTAL RETAIL SALES AUTOMOTIVE CHEMICALS
\$2,640 MM (Range: \$2,153-\$3,389 MM)

*Excludes OEM and bulk sales of antifreeze/coolant and other functional fluids.
Source: LINDSEY-KAUFMAN COMPANY, 1990

A BRONCO MORE RUGGED.

CHEMICALS: MAKING MAGIC FOR YOUR BOTTOM LINE



Today's automotive chemicals are magical—not just in their formulations and what they can do for vehicles—but in what they can do for your bottom line. The entire chemical section is changing, however, as environmental issues become a concern in our market.

by Gail Krueger-Nicholson,
Managing Editor

The wall or gondola of automotive chemicals in your store certainly is a magical place. It is the place where carefully formulated chemical concoctions turn into dollar bills via the hands of your DIYer customers.

The process is relatively easy. DIYers with vehicle maintenance concerns or problems—anything from a dirty windshield to a sluggish engine—come to your store's chemical section for a solution.

CHEMICALS: MAKING MAGIC FOR YOUR BOTTOM LINE

They buy one or more of the hundreds of chemical products you stock. They willingly pay the price you ask. They use the product as directed. They solve their problem. You make a profit.

For 86% of Automotive Marketing's Retail Panel members, chemicals account for up to 15% of their dollar sales. Chemicals account for 10% to 15% of unit sales for 57% of the Retail Panel members.

According to a study entitled *U.S. Markets For Automotive Chemicals* from the Predicasts Industry Studies Div. of Business Trends Analysts Inc., Commack, NY, almost \$40 per year per car is spent purchasing chemical products at automotive retail outlets. Our Contributing Editor, Edward L. Kaufman, president of The Lindsey-Kaufman Co., a Tenafly, NJ, consulting firm, estimates retail sales of automotive chemicals at between \$2.2 to \$3.4 billion.

Now, that's magic.

Yet despite the relative ease with which these chemicals-into-dollars alchemy takes place, you have more to do to keep the process going than just waving a magic wand these days. Changes taking place on

CHEMICALS & DYERS

What percentage of your sales in these various chemical categories go to Dyers?

Functional Fluids	64%
Wax/Polish	60
Other Appearance Chemicals	57
Protectants	56
Oil & Gas Additives	63
Fuel Injection Cleaners	56

Source: 1990 Automotive Marketing Retail Panel

the chemical walls and gondolas today need your attention. Today's higher margin, more sophisticatedly formulated chemical products require active selling. And you need product knowledge to do so.

Changes In Chemicals

There are three interrelated areas of change for chemical products these days:

- A move away from selling chemicals on price alone on the part of suppliers.
- A move by suppliers and retailers to selling "environmentally friendly" chemicals.
- And, a increased sophistication in chemical formulas to meet the increas-

CHEMICAL SKUS

We asked for a ballpark estimate of how many chemical SKUs retailers carried

Up to 100 SKUs	43%
101 to 200 SKUs	14
201 & More	14

Source: 1990 Automotive Marketing Retail Panel

ing sophisticated requirements of DIYer chemical buyers and their vehicles.

No Longer Price Alone

According to one chemical manufacturer, chemical suppliers have historically had margins as low as 1% on each unit of their products. That same manufacturer says that there is a tradition of selling chemicals on price alone. "Shelf space has always been a big issue with chemicals. Some manufacturers have been buying shelf space by cutting their margins—we do not care to participate in this," the manufacturer's spokesman said. But selling on price alone is changing, according to the spokesman.

"Manufacturers are trying to do one thing with chemicals today: we are trying to create truly new products based on new technology," the same source said.

An example of one such chemical breakthrough is an alcohol "protector" for gasoline from a leading manufacturer. The product was originally formulated for use in small and marine engines, but found a profitable market niche west of the Rockies as a gasoline additive in areas where there can be a high level of alcohol in the fuel.

"Volume sales of such specialty products are low so far, but highly profitable. Sales of the traditional oil and gas additives remain high," the company spokesman said.

Specialized chemical formulas like the alcohol protector allow chemical manufacturers to increase their margins and, equally important, allow retailers to increase their profits by meeting specialized customer requirements at a non-fire sale price.

For instance, several western states including Colorado, Arizona, Nevada, and New Mexico have passed laws mandating the use of oxygenated fuels in an effort to reduce air pollution. Oxygenated fuels add high levels of alcohol or ether that in-

crease the oxygen content of the fuel so it burns cleaner in the engine.

However, the increase of alcohol or ether in fuels can cause driveability problems such as stalling, hesitation, and rough idling, according to another leading maker of automotive chemicals. This is due to the increased amount of deposits left behind by oxygenated fuels. Traditional fuel additives can help these driveability problems, but not all fuel additives work effectively in oxygenated fuels.

This leaves a unfilled market niche—a niche that at least one chemical manufacturer is jumping in to fill. The new fuel additives from this company mix completely with oxygenated fuels so their effectiveness is not reduced, according to the company. It is another example of a new, sophisticatedly formulated chemical product that offers greater profit potential for supplier and retailer alike.

EXPANDING CHEMICAL CATEGORIES

We asked retailers which chemical categories they thought they would have to be expanded over the next few years

Fuel Additives	29%
Specialty Cleaners	29
Fuel Injector Cleaners	14
Sealants	14
Appearance Chemicals	14
Lead Additives	14
None	29

Source: 1990 Automotive Marketing Retail Panel
Equals more than 100% due to multiple answers

Chemicals & The Environment

Pressure from federal government bodies like the Environmental Protection Agency (EPA), state and local agencies like Los Angeles' South Coast Air Quality Management District (SCAQMD), and consumer activist groups like the National Wildlife Federation, about environmental issues have pushed chemical suppliers into action.

For instance, the same chemical manufacturer that formulates the additive for oxygenated fuels has also pledged to do its best for the environment. A statement from this company says, "We support the orderly establishment of controls and standards designed to protect and preserve the quality of our environment. It is the company's policy to conform with all applicable environmental standards with each of our products."

This company does not stand alone.

CHEMICAL SKUS ADDED

We asked for a ballpark estimate of how many chemical SKUs retailers had added since 1985

Added Up to 50 SKUs	71%
Added 51 Or More SKUs	29

Source: 1990 Automotive Marketing Retail Panel

CHEMICALS: MAKING MAGIC FOR YOUR BOTTOM LINE

Several other chemical suppliers have issued similar statements. One has said that its goal is to have all its products non-flammable, recyclable, environment-friendly and in conformance with all government requirements as soon as possible.

Statements like these have put new products like non-flammable tire sealants, biodegradable engine cleaners, and biodegradable gas and oil additives on retailers' shelves in recent months—often in recyclable plastic bottles.

And some retailers are clamoring for more. Chief, with about 500 stores headquartered in Seagoville, TX, launched a chemical program called Specially Adapted For The Environment (SAFE) late last year. Through the program, Chief promotes environmentally safe chemicals on its shelves. In-store education material, shelf talkers, counter cards, and employee buttons all call attention to Chief's commitment to a safer, cleaner environment. As part of that commitment, Chief seeks out environmentally

CUTTING CHEMICAL CATEGORIES

We asked retailers which chemical categories they thought they could safely cut back on over the next few years.

None	57%
Wax/Polish	14
Engine Restorers	14
Silicone Sprays	14

Source: 1990 Automotive Marketing Retail Panel
Equals more than 100% due to multiple answers

safe products to stock on its chemical shelves. Chief has also started an oil reclamation program in some of its stores.

But not all suppliers and retailers are on the environment-friendly chemical bandwagon yet.

"A lot of the (traditional chemical) products do good, but they are being regulated out of existence," one chemical supplier said.

This spokesman cited the CFC propellant used in tire sealants as an example. Use of those propellants will be outlawed in the near future. "But carbon dioxide or simple air pressure is not strong

enough to get the product into the tire. It's a problem and this product is threatened," the spokesman said.

"You have to look at some trade-offs. We are concerned about what the products do and problems they may cause. But there are trade-offs: clean running cars and less air pollution vs. use of carb cleaners which have some chemicals some environmentalists consider bad," he added.

The same spokesman said his company, like many others, is looking to create new environmentally safe formulas for existing chemical products and to create new safe ones.

"In some cases we've had the technology for years. But, five or six years ago when we originally tried to bring such

CHEMICALS & UNIT SALES

We asked retailers what percent of their unit sales chemicals accounted for.

Less Than 10%	29%
10% To 15%	57
16% Or More	0

Source: 1990 Automotive Marketing Retail Panel

SELLING CHEMICALS

While chemicals are magical profits makers for automotive retailer's bottom lines, they do not sell themselves. On-the-floor sales people must be ready to answer questions about the hundreds of chemical products on the shelves. Here is a brief review of what some of the most popular chemicals do.

Maintenance chemicals are aids to the DIYer. One of the most widely used is **penetrating lubricant**, which is used to loosen rusted or corroded nuts and bolts. Almost every DIYer will buy this product regularly for home and auto repair. **Lubricating grease** is also a popular item among DIYers working with older cars or parts that require lubrication and protection from rust.

There are various types of **cleaners** available for different parts of the engine. **Choke and carburetor cleaners** come in spray and liquid, both clean the inside of the carburetor, the choke and the linkage, removing the gum and varnish that build up on the carburetor. Sprays are applied directly into the carburetor; liquids are added to the gas tank.

Engine degreasers remove grease, dirt and grime from engines so they can run cooler and more efficiently. They are sprayed on the engine block.

Brake cleaners are used to clean away grease, grime and any moisture or

oil that may accumulate on brake parts and pads. Clean brakes will last longer and stop quicker.

Battery terminal cleaners are used to clean away corrosion from the terminal posts. They also serve to protect the clean terminal from further corrosion.

Cooling system cleaners are for cooling systems that have been neglected too long to make a standard flushing effective. In addition to removing sludge and rust, most cooling system cleaners will also lubricate the water pump.

Oil and gas additives have shown strong growth in sales in recent years because of the demand for better gas mileage and the strong sales of fuel injected cars. There are many brands and many claims. You should make a point of reading the labels carefully and have your customers do the same.

Oil additives often contain such ingredients as a viscosity improver that thickens the oil. These are often used for older engines to close various clearances inside the engine. Some oil additives clean valves and piston rings for better wear. Engines with leaking seals can benefit from **engine stop-leak additives** which seal in oil bearings and oil seals. Some newer products are designed to reduce friction by coating internal parts with a super slippery oil.

Gas additives are used to clean the fuel system. However, in winter, you'll sell

a lot of **gas line antifreeze**, an additive that soaks up moisture between the gas tank and the carburetor. There are also **cold starting sprays**, a highly combustible liquid sprayed right into the carburetor. Finally, there are **silicone sprays** to help dry out a wet electrical system in cold or rainy weather.

Although diesel engines are not as popular as once predicted, there are a quite a few on the road, and there are various **diesel fuel additives** available for them. Water is the greatest enemy of the diesel engine and most additives are designed to absorb moisture and hinder wax formations so the engine performs to standards.

There are also additives designed for other systems of a car, although they'll represent a much smaller proportion of your sales. For example, there are **rust inhibitors** for the radiator and **transmission additives** to help ease slipping and down shifting in the older automatic transmission by cleaning away deposits.

There are almost as many chemical products as there are automotive systems and DIYers. The best ways to keep informed about their use is to get all the training available from their makers and to read all the information from the suppliers as new chemical products make their way to your store's shelves.

CHEMICALS: MAKING MAGIC FOR YOUR BOTTOM LINE

products out, consumers were not interested. Now they are. It's time to bring the technology off the shelf and put it on the label."

One member of our Retail Panel, J. D. Carlon, of Arnold Auto Supply, Arnold, CA, disagrees with the above chemical spokesman. Carlon said he does not believe consumers are interested in environmentally safe chemicals—yet. "They're more concerned in satisfying the urge to

CHEMICALS & DOLLAR SALES

We asked retailers what percent of their dollar sales chemicals accounted for.

Less Than 10%	43%
10% To 15%	43%
16% Or More	14%

Source: 1990 Automotive Marketing Retail Panel

THE MOST POPULAR CHEMICALS

We asked retailers to list the three most popular chemicals. Here are the ones they listed.

Functional Fluids	49%
Wax/Polish	49%
Other Appearance Chemicals	29%
Protectants	29%
Oil & Gas Additives	100%
Fuel Injection Cleaners	14%
Brake Fluid	14%
Oil	14%
Antifreeze/Coolant	14%

Source: 1990 Automotive Marketing Retail Panel
Equals more than 100% due to multiple answers.

contribute somehow to preventive maintenance of their auto. It is about the only remaining preventive maintenance measure they can handle without a Phd."

However Carlon added that he will change chemical products lines to environmentally safe products as soon as that "becomes a factor in influencing my customers' buying habits."

New Frontiers & Old Friends

Carlon's customers—and yours—, those DIYers who enjoy doing chemical maintenance on their vehicles, have plenty of new products to work with these days. With each new development in automotive technology, the chemical suppliers are there with a product to meet a need or to fill a niche. For instance, one chemical manufacturer we spoke with has a new fuel injector cleaner specifically formulated to attack the problem of clogged intake valves on small, high output engines.

"We created this product specifically in response to BMW's finding that intake valves on their engine clogged in a particular way. We are meeting a new need with this one," he said. The spokesman also said that his firm has several other products "on the drawing boards" to fill new chemical product niches.

With all the new chemicals on the shelves these days, the magical chemical section in your store can be confusing to store employees and customers alike. But, even with the flood of new chemical products, some basics still hold true.

Basically, all automotive chemicals—and there are many of them as our chart shows—fall into two categories: functional fluids or maintenance chemicals.

Functional fluids are just what they sound like; they are the fluids without which the vehicle cannot run. These include chemicals like brake fluid, transmission fluid, and power steering fluid. Oil, antifreeze/coolant, and even windshield washer fluid can also be included in this group.

The chemicals in this group are very straightforward. What they do and how they do it does not require a complicated explanation, nor do they really change from year to year. These are the easy-to-sell chemicals that almost all DIYers are

CHEMICALS & THE ENVIRONMENT

We asked retailers if they thought DIYers were concerned that the automotive chemicals they buy are safe for the environment.

Yes	29%
No	71%

We also asked them if they would change lines or in any other way put an emphasis on environmentally safe chemicals in the coming year.

Yes	43%
No	43%
Not Yet	14%

Source: 1990 Automotive Marketing Retail Panel

INFORMATION, PLEASE

We asked retailers what they thought were the most important chemical information sources to DIYers.

How To Books	86%
Friends	49%
Mechanics	49%
Store Hand-Outs	14%
Packaging	14%

Source: 1990 Automotive Marketing Retail Panel
Equals more than 100% due to multiple answers.

familiar with. For the most part, the only questions your floor sales staff are likely to be asked about these chemicals is where to find them in your store.

Maintenance chemicals are very different. In general, maintenance chemicals clean, lubricate, degrease, boost octane, and otherwise keep vehicles running smoothly. They are aids to the DIYers as they maintain their vehicles and are the "magic formula" products that cure many drivability woes.

This group of products has constantly changing formulas, and it is in this group where the chemical suppliers continually introduce new products—for their profit and yours.

THE AUTOMOTIVE CHEMICAL LINEUP

Here is a list of some of the most popular automotive chemicals sold in retail stores. We've included almost every liquid a DIYer might pour into or onto a vehicle.

Antifreeze/Coolant

Brake Fluid

Cleaners For Carbs,
Chokes & Fuel Injectors

Degreasers

Diesel Additives

Engine Flush

Gasoline Additives

Lead Substitutes

Leak Inhibitors

Octane Boosters

Oil

Oil Additives

Paint

Power Steering Fluid

Protectants

Radiator Flush

Starting Fluids

Tire Sealant/Inflators

Transmission Fluids

Wax/Polish

Windshield Washer